Saskatchewan Ministry of Environment

Environmental Assessment Branch

Annual Update 2012

This document provides a calendar year review of the Environmental Assessment Branch activities including policy initiatives and ongoing and completed environmental impact assessment reviews for 2012.

Government of Saskatchewan

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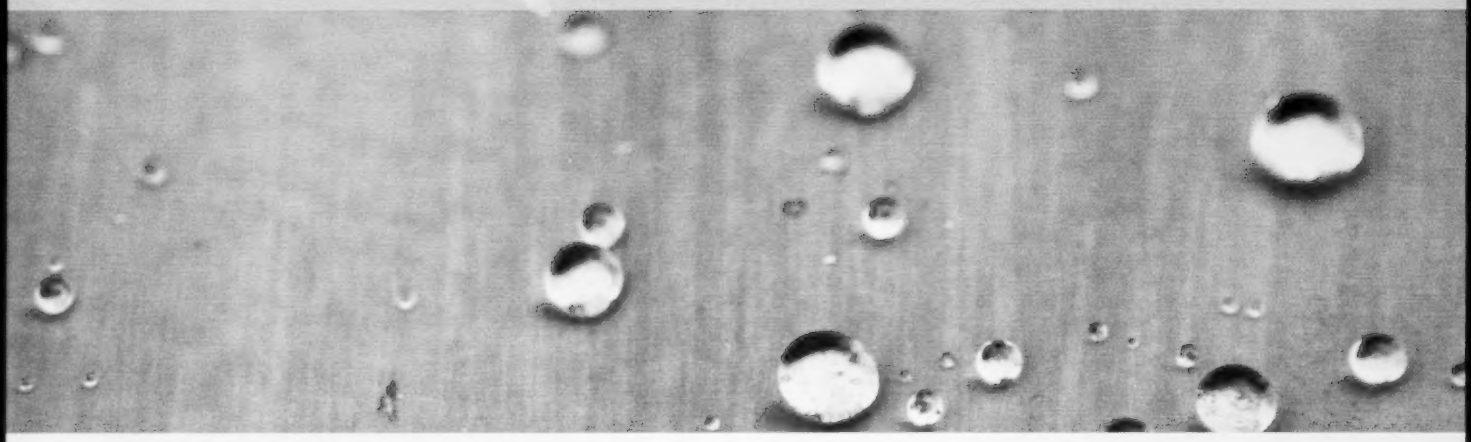


MESSAGE FROM THE MINISTER OF ENVIRONMENT

I am pleased to present the 2012 Environmental Assessment Branch Annual Update for the Ministry of Environment. Aligning with the Province of Saskatchewan's Plan for Growth, the Ministry of Environment remains committed to delivering enhanced environmental protection, support for economic growth and enhanced service quality. The outcome of this direction has resulted in the provision of strategic and innovative guidance to industry and the public on environmental protection measures and management of natural resources.

The Environmental Assessment Branch plays a significant role in the ministry's commitment to ensure the successful delivery of our programs. In 2012, The Environmental Assessment Amendment Act, 2010 was proclaimed, which was a key step in enabling the Environmental Assessment Branch to move forward with the implementation of elements that support the ministry's results-based regulatory framework.

The Environmental Assessment Branch continuously strives to provide an efficient and effective environmental review process that ensures adequate environmental protection measures are identified and in place prior to development proceeding. The Environmental Assessment Branch is committed to the ministry's mandate of providing public service excellence in protecting the environment and promoting sustainable use of natural resources to enhance economic and social benefits.

This report highlights the business operations, strategies and key actions of the Environmental Assessment Branch in 2012.

Honourable Ken Cheveldayoff

MESSAGE FROM THE OFFICE OF THE DEPUTY MINISTER

In 2012, the Environmental Assessment Branch continued to focus their efforts on the business transformation strategy initiated in 2011.

The Environmental Assessment Branch has successfully implemented deliverables identified from the lean initiative by improving their current business practices, in part by streamlining internal processes, and efficiently utilizing Ministry of Environment resources to better protect Saskatchewan's natural environment. The Environmental Assessment Branch has undertaken significant work towards the proclamation of The Environmental Assessment Amendment Act, 2010, and was recognized for their contribution to service excellence, the results-based regulatory framework and achieving ministry values of transparency and accountability. We are already seeing the initial results of the improved environmental assessment review process.

The Environmental Assessment Branch continues to seek areas in which the environmental assessment process and client service can be enhanced. The branch remains open to investigating innovative and practical means of carrying out environmental assessment reviews, adjusting to the changing economic climate in the province and helping to ensure we maintain the Saskatchewan Advantage.

Liz Quarshie
Deputy Minister

MESSAGE FROM THE DIRECTOR

In 2012, the Environmental Assessment Branch continued down the path of business transformation in support of the ministry's move towards a results-based regulatory framework. The direction for the year was framed around the results of a SWOT analysis – an assessment of internal and external strengths, weaknesses, opportunities and threats – and associated strategic planning sessions, which helped identify our branch goals and key strategies. A large part of our focus was on the implementation of policies and processes that were developed in support of amendments to The Environmental Assessment Act. Proclamation of The Environmental Assessment Amendment Act, 2010 was the milestone that enabled the Environmental Assessment Branch to reach full implementation of the policies and processes.

Highlights for 2012 include:

- Adoption of a triage system to ensure a timely and consistent review;
- Conditions management strategy, ensuring greater transparency and accountability for ministerial determinations and approvals; and,
- Enhanced proponent guidance on environmental assessment processes from preparation of technical proposals and terms of reference to consultation with First Nations and Métis on environmental assessments in Saskatchewan.

The Environmental Assessment Branch will continue to demonstrate leadership in environmental stewardship and remain committed to building mutually beneficial relationships with our clients and the citizens of Saskatchewan. The coming year promises to be a defining year for the Environmental Assessment Branch as we begin to evaluate the successes of our revised policies and processes.

I would like to acknowledge the staff of the Environmental Assessment Branch for their continued hard work and diligence, and I invite you to read more about our work and accomplishments in 2012.

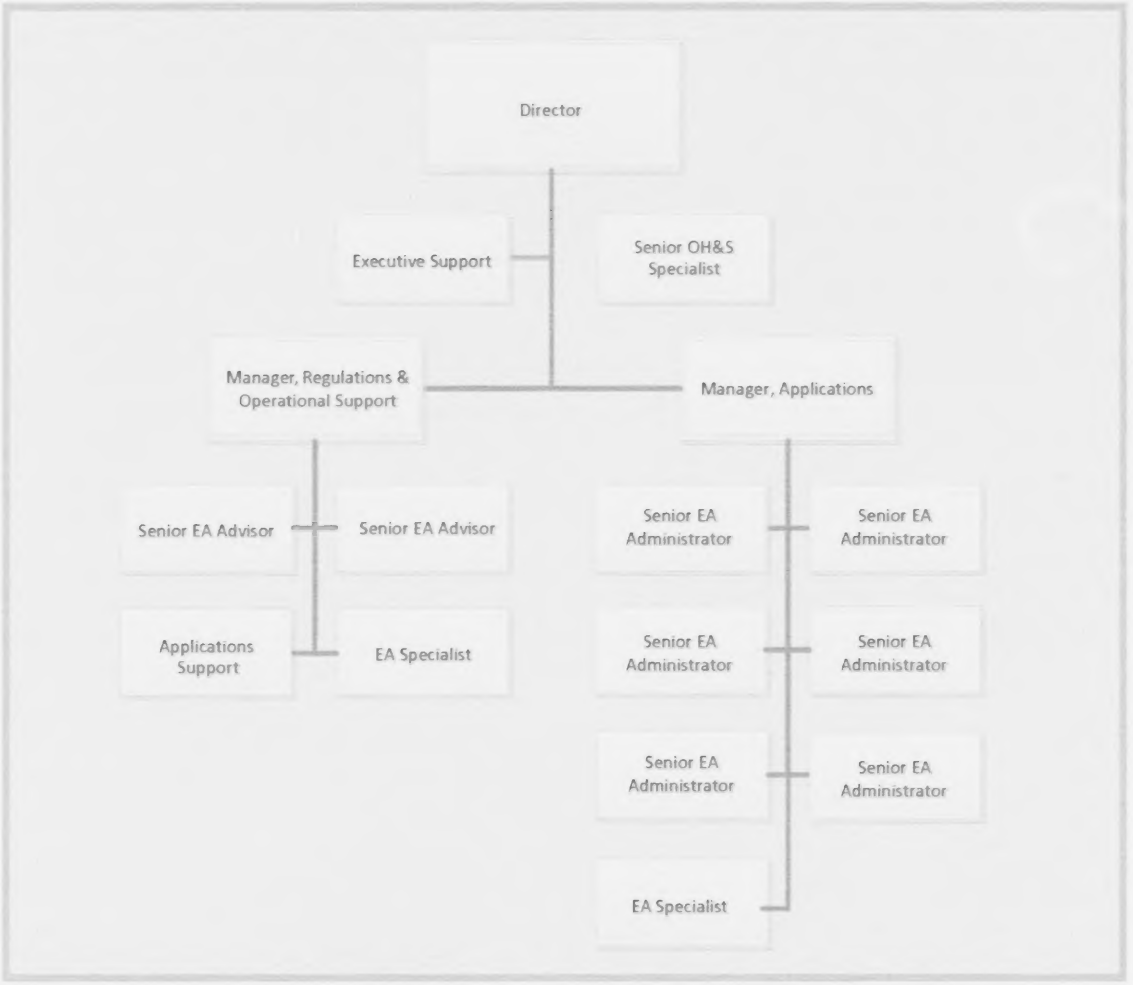
Tareq Al-Zabet
Director

ABOUT THE ENVIRONMENTAL ASSESSMENT BRANCH

The Environmental Assessment Branch is a dedicated unit of professionals, with environmental expertise in a multitude of disciplines, who work together to deliver comprehensive reviews of major developments in Saskatchewan in accordance with The Environmental Assessment Act (the Act).

The environmental assessment program was introduced to Saskatchewan in 1976 as a means of ensuring that major developments within the province proceed in an environmentally responsible manner. With Royal Assent of the Act in 1980, several aspects of the province's initial environmental assessment policy and process were formalized. Environmental assessment in Saskatchewan is designed to systematically evaluate the ecological, socio-economic and cultural aspects of development within a single framework so that the real costs and tradeoffs at stake in a particular situation can be fully understood.

ENVIRONMENTAL ASSESSMENT BRANCH ORGANIZATIONAL CHART AS OF DECEMBER 2012



ENVIRONMENTAL ASSESSMENT PROCESS

The Act requires that a proponent receive approval by the Minister of Environment (the Minister) before proceeding with a development that is likely to have significant environmental implications.

The Act defines a 'development' as any project, operation or activity, or any alteration or expansion of any project, operation or activity, which is likely to:

- have an effect on any unique, rare or endangered feature of the environment;
- substantially utilize any provincial resource and in doing so preempt the use, or potential use of that resource for any other purpose;
- cause the emission of any pollutants or create by-products, residual or waste products, which require handling and disposal in a manner that is not regulated by any other Act or regulation;
- cause widespread public concern because of potential environmental changes;
- involve a new technology that is concerned with resource utilization and that may induce significant environmental change; or
- have a significant impact on the environment or necessitate a further development, which is likely to have a significant impact on the environment.

An overview of the process followed for environmental assessments is provided in the figure below.

Proposal Development	Application	Screening	Scoping	Impact Assessment	Review	Public Comment	Decision by Minister

In an effort to continue to provide an efficient and effective process that is easy to navigate, various guidance documents are made available to the public via the ministry's Environmental Assessment webpage. Greater detail on the environmental assessment process can be found in the document titled

MISSION

The Environmental Assessment Branch administers the Act through an efficient and effective review process to ensure economic development in Saskatchewan proceeds with adequate environmental safeguards in place, and in a manner that is broadly accepted by the public.

GOALS

The Environmental Assessment Branch goals are in alignment with the Government of Saskatchewan's Growth Plan in providing enhanced environmental protection, sustained economic growth and enhanced service quality. In order to facilitate the delivery of the ministry's mandate, the goals for 2012 focused on efficiency, effectiveness and ease of process.

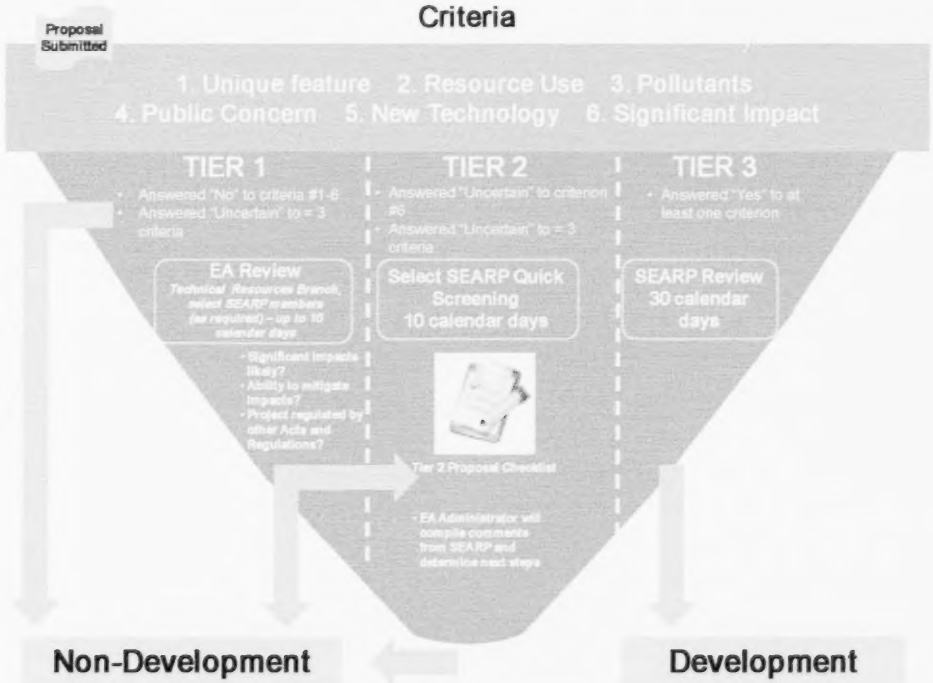
The Environmental Assessment Branch identified key goals for 2012.

APPLY LEAN PRINCIPLES TO LEAD EFFICIENCIES IN THE DELIVERY OF MINISTRY SERVICES

The ministry's transition to a results-based regulatory (RBR) framework has refined how the Environmental Assessment Branch conducts business. The lean initiative, which the Environmental Assessment Branch undertook in 2011 has resulted in a streamlined environmental assessment process integrated with the new RBR framework. Key deliverables included improved guidance documents and clarity around procedures, resulting in reduced timelines for clients. Improved program delivery was also a priority for 2012.

One of the key process changes that allowed the Environmental Assessment Branch to efficiently manage applications and ensure a timely and consistent review was the implementation of a proposal triage system. This system has allowed the Environmental Assessment Branch to focus on higher-risk undertakings that require a full Environmental Impact Assessment (EIA), ensuring that Environmental Assessment Branch resources are allocated efficiently toward the review process.

Triage Process



The diagram on the previous page illustrates the triage process. When an application is received, the proposal is reviewed and ranked in one of the three Tiers, according to the criteria outlined in the Act. Additional information about the triage process can be found in the Technical Review Guidelines located on the Environmental Assessment Branch website.

ENSURE THAT DEVELOPMENT AND INDUSTRIAL ACTIVITY PROCEEDS IN A MANNER THAT PROTECTS THE ENVIRONMENT AND HUMAN HEALTH AND SAFETY THROUGH ENVIRONMENTAL ASSESSMENT AND COMPLIANCE

To ensure conditions placed on ministerial determinations and approvals are being implemented, the Environmental Assessment Branch initiated a mandatory conditions management process. This process requires proponents to create a commitments register as part of an Environmental Impact Statement (EIS) that is submitted to the Environmental Assessment Branch for review. Conditions management requires annual reporting by proponents on any conditions imposed by the Environmental Assessment Branch. The conditions management process, which was initiated in 2012, is a step forward in ensuring conditions set in approvals are effective at addressing potential adverse effects, that environmental safeguards are being implemented and that reporting on conditions related to environmental assessment approvals are tracked by the appropriate regulatory agency.

ENSURE MINISTRY OF ENVIRONMENT CLIENTS HAVE MULTIPLE OPTIONS TO ACCESS SERVICES

In an effort to continuously improve client services, the Environmental Assessment Branch is participating in ministry-wide initiatives that will result in multiple options for clients to access services. Throughout 2012, the Environmental Assessment Branch has been involved in the ministry's Information Management and Technology Transformation project, which supports the RBR framework by introducing an integrated online system for improved client service.

As a result of this project, the ministry has launched a new website. This will provide a major shift in how the Environmental Assessment Branch provides services to its clients. The new website is designed to provide a more client-centred focus, organizing information around the needs of various stakeholders. The new environmental assessment online application portal is expected to be launched to the public in 2013.

With the introduction of the Client Service Office, clients now have an additional access point for basic inquires. The Client Service Office has been working with the Environmental Assessment Branch to track and manage the various client interactions through a Customer Relationship Management system. The new system supports the sharing of information across the ministry, allowing for consistent and accurate responses to client inquiries through the use of a ministry-wide knowledge base.

ENSURE CONTINUOUS IMPROVEMENT IN FULFILLING THE LEGAL DUTY TO CONSULT WITH FIRST NATIONS AND MÉTIS WHERE MINISTRY DECISIONS MAY HAVE AN ADVERSE IMPACT ON TREATY AND ABORIGINAL RIGHTS OR TRADITIONAL USES

The First Nation and Métis Consultation Policy Framework, June 2012 (CPF) establishes the Government of Saskatchewan's policy on consultation with First Nations and Métis communities. The framework states that, "The Government of Saskatchewan will consult with and accommodate, as appropriate, First Nations and rights-bearing Métis communities in advance of decisions or actions which may adversely impact Treaty and Aboriginal rights."

In 2011, a strategic plan developed by the Environmental Assessment Branch identified the need for increased guidance and clarity for both staff and proponents around the duty to consult. In response, guidelines were developed for proponents and procedures for the Environmental Assessment Branch were updated. These guidelines and procedures were implemented during 2012 in a continuous effort to effectively assist the ministry in meeting its consultation obligations, and to ensure major developments in the province continue to experience a timely regulatory system.

In addition to providing enhanced guidance to proponents and implementing updated operating procedures, the Environmental Assessment Branch also utilizes expertise within the ministry's Landscape Stewardship Branch and focuses on ensuring that staff obtains the necessary information and advice to effectively oversee consultation efforts in relation to environmental assessments.

MAXIMIZE PROVINCIAL/FEDERAL COOPERATION AND COORDINATION TO MINIMIZE OVERLAP AND DUPLICATION

In July 2012, the federal government introduced the *Canadian Environmental Assessment Act, 2012* (CEAA) and the associated Regulations Designating Physical Activities list, which identifies types of projects that may be subject to a federal environmental assessment. The changes to CEAA modernize the environmental regulatory system, increase focus on larger resource projects and reduce delays within the overall process. Key provisions of CEAA include categorizing environmental reviews as either standard environmental assessments or review panels and consolidating the environmental assessment process into three federal agencies: Canadian Environmental Assessment Agency (the Agency), Canadian Nuclear Safety Commission (CNSC) and National Energy Board (NEB).

The Agency is focusing on larger scale projects and is no longer conducting screening level environmental assessments, which resulted in the cancellation of small scale screenings in the province through the latter half of the year. Saskatchewan's mature regulatory framework ensures continued environmental protection in the province. Any project in Saskatchewan not on federal land will continue to be subjected to the province's rigorous environmental regulatory process.

In some cases, developments under review by the Environmental Assessment Branch require a separate assessment conducted by the Agency. For this reason, the ministry recognizes the need to maximize provincial/federal cooperation, ensuring an efficient and effective process that enhances environmental protection while eliminating duplication. In the past, coordination of environmental assessments was guided by the Canada-Saskatchewan Agreement on Environmental Assessment, which has recently expired. Significant effort has been directed towards determining how CEAA will align with the provincial environmental assessment process and exploring opportunities for cooperation. In the coming year, the Environmental Assessment Branch will continue to work with the Agency, CNSC and NEB on a range of initiatives that will improve coordination of federal and provincial assessments for major projects in Saskatchewan.

PROCLAMATION OF THE ENVIRONMENTAL ASSESSMENT AMENDMENT ACT, 2010

Beginning in 2008, the ministry consulted with stakeholders, industry and the public to identify several areas that would enhance environmental protection and strengthen the environmental assessment process in Saskatchewan. The valuable feedback attained at these consultations spearheaded amendments to The Environmental Assessment Act (the Act). Proclamation of The Environmental Assessment Amendment Act, 2010 was part of the larger ministry move to align with the RBR framework. The amendments also support the government's growth plan by increasing legal certainty for project developers, promoting greater efficiencies in the environmental assessment process and modernizing offence and penalty provisions.

As a result of the amendments, the Minister is now empowered to legally determine whether a proposed project is a 'development'. Under the previous Act, proponents received a ministerial opinion, which exposed them to the risk of court challenges that could potentially delay projects and increase financial burdens. The ministerial determination provides more legal certainty to project proponents and will provide opportunities to enhance the enforceability of desired outcomes through terms and conditions. These terms and conditions will ultimately safeguard, preserve and restore the integrity of the environment, as well as increase the province's accountability for environmental decision-making.

Amendments to the Act have increased financial penalties for non-compliance and reinforced the court's ability to order the repair or restoration of environmental damage. Financial penalties have been significantly increased from $5,000 to $500,000,which provides a stronger incentive for compliance.

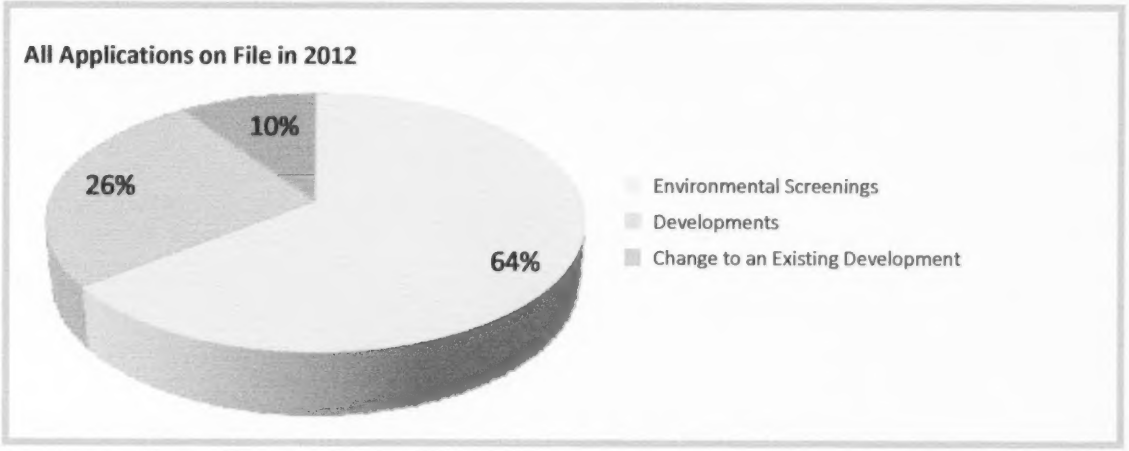
Aligning with the ministry direction of an RBR framework, the amended Act allows for the establishment of sector specific environmental assessment processes. These assessments may apply to projects within a given sector that have common characteristics, similar environmental impacts and proven mitigation measures. This will translate into cost savings for proponents by providing streamlined assessment processes for specific sectors. This will also give proponents more certainty around information requirements and result in consistent and predictable requirements for environmental protection.

OVERVIEW OF APPLICATION TYPES FOR 2012

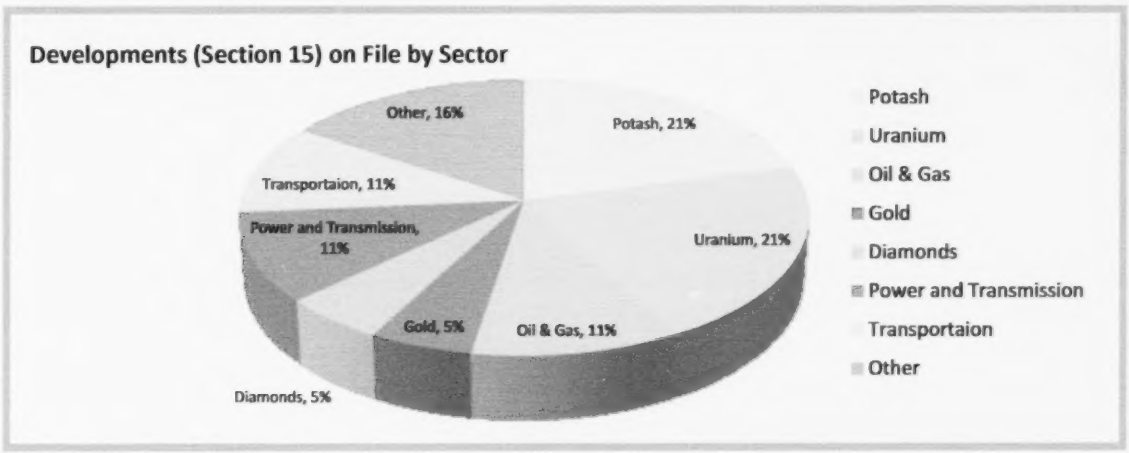
In 2012, the Environmental Assessment Branch received 31 technical proposals. As of December 31, 2012, 13% of those were deemed to be a development or change to an existing development. The proportion of technical proposals received remained relatively unchanged from 12% in 2011.

Proposals reviewed by the Environmental Assessment Branch in a given year include those carried forward from previous years as well as new proposals. In 2012, 64% of all project proposals reviewed by the Environmental Assessment Branch were found to not be developments, a slight decrease from 72% in 2011; 26% were developments that required an EIA as compared to 19% in 2011; and 10% were considered to be a change to an existing development that required ministerial approval to proceed, up from 9% in 2011.

The figure below depicts the types of applications on file with the Environmental Assessment Branch during 2012.

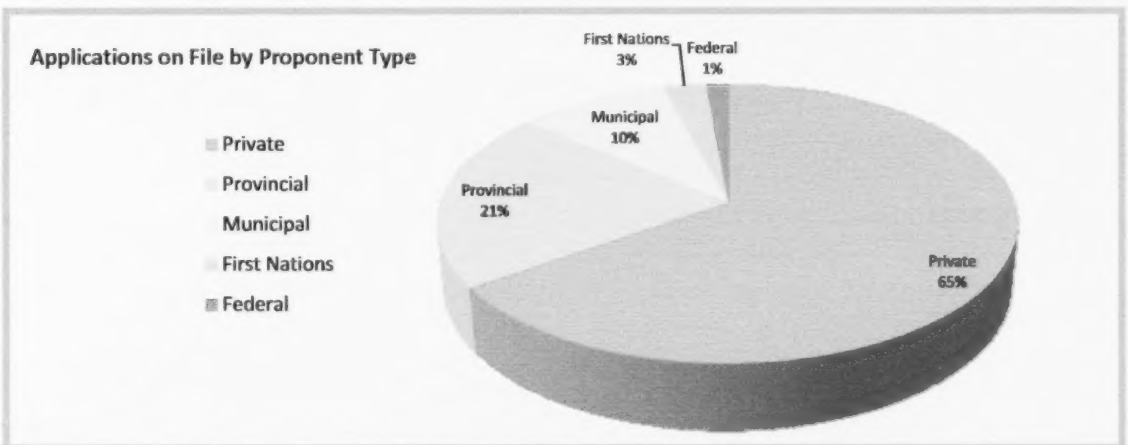


The figure below depicts the distribution of developments among sectors on file with the Environmental Assessment Branch during 2012. The distribution of developments among sectors in 2012 saw little change from that of 2011, where potash and uranium made up the majority of developments followed by oil and gas, transportation and power and transmission projects.



Proponents of projects are divided between private enterprise and governments, which include provincial, municipal, federal and First Nations. Applications submitted by private enterprise make up 65% of all applications on file. Applications received from the provincial government and agencies make up 21% of all applications on file. Those received from municipal governments, First Nations and the federal government round out the bottom at 14% of all applications on file with the Environmental Assessment Branch. The distribution of applications by proponent type remained fairly static when compared to 2011 where 57% were submitted by private enterprise, 24% from provincial government and agencies, 14% municipal governments, 4% First Nations and 1% federal government and agencies.

The figure below depicts the distribution of applications by proponent type on file with the Environmental Assessment Branch during 2012.



Active Environmental Assessments as of December 2012

The following environmental assessment status updates are provided as of December 31, 2012.

Map #	Proponent	Project Development	Date Received	Project Status
1	Ministry of Economy	Gunner Uranium Mine Rehabilitation	30-Apr-07	Proponent to provide revised EIS*
2	Canadian Natural Resources Ltd.	Natural Gas Project	15-Dec-07	EA process on hold at request of new proponent
3	Ministry of Parks, Culture and Sport	Prescribed Burn Plan Duck Mountain and Greenwater Provincial Parks	21-Feb-08	Proponent conducting additional research for EIS
4	Shore Gold Inc.	Diamond Mine	3-Nov-08	Proponent to provide revised EIS
5	Karnalyte Resources Inc.	Potash and Magnesia Mine	16-Jan-09	EIS is out for public review
6	Ministry of Economy	Lorado Uranium Mine Rehabilitation	25-May-09	Proponent to provide revised EIS
7	Cameco Corporation	Uranium Mine	10-Aug-09	Proponent to provide revised EIS
8	Premier Horticulture Ltd.	Peat Harvesting	1-Oct-09	EIS under review with SEARP**
9	Ministry of Highways and Infrastructure	Northern Roadway Construction Lake Athabasca	14-Jan-10	Proponent is drafting EIS
10	Ministry of Highways and Infrastructure	Construction of Hwy 914 McArthur River Mine to Cigar Lake Mine	17-Feb-10	Proponent is drafting EIS
11	Oilsands Quest Sask Inc (OQI)	Bitumen Production	5-May-10	EA process on hold at request of new proponent
12	Fortune Minerals Ltd.	Metal Processing	10-Aug-10	Proponent conducting additional research to address SEARP review
13	Algonquin Power and Utilities Corporation	Hydroelectric	22-Dec-10	Proponent to submit addendum on project details
14	Vale Potash Canada	Potash Mine	31-Aug-11	Proponent conducting EIS
15	Western Potash Corp.	Potash Mine	12-Oct-11	EIS under review with SEARP
16	First Potash Ventures	Potash Mine	30-Apr-07	Determined to be a development under the Act.

* EIS – Environmental Impact Statement
** SEARP – Saskatchewan Environmental Assessment Review Panel

Completed Environmental Assessments as of December 2012

Map #	Proponent	Project Development	Date Received	Project Status
17	Black Lake First Nation	Elizabeth Falls Hydroelectric station	15-Dec-05	26-Mar-12 File closed at proponent's request
18	AREVA Resources Canada	Uranium Ore Processing at McClean Lake	15-Dec-10	19-Jan-12 Ministerial Decision provided
19	Golden Band Resources	Gold Mine	15-Jan-10	6-Feb-12 Ministerial Decision provided

Active Changes in Development as of December 2012

Map #	Proponent	Project Development	Date Received	Project Status
20	Cameco Corporation	Key Lake Extension	24-Dec-09	EIS under review with SEARP
21	Cameco Corporation	Tailing Expansion	21-Jun-11	Proponent conducting EIS
22	City of Prince Albert	Ground Water Cut-Off Prince Albert Landfill	17-Jul-12	6-Feb-12 Ministerial Decision provided
23	K + S Potash Canada	Legacy Project Pipelines	30-Nov-12	Change in development proposal under review with SEARP
24	K + S Potash Canada	Legacy Project Work Camp	18-Dec-12	Change in development proposal under review with SEARP

Completed Changes in Development as of December 2012

Map #	Proponent	Project Development	Date Received	Project Status
25	AREVA Resources Canada	McClean Lake Operation	24-Dec-09	30-Aug-12 Ministerial Decision provided
26	City of Saskatoon	Waste Management Centre Expansion	1-Dec-11	31-Jan-12 Ministerial Decision provided

Map of Active and Completed Applications in 2012

Active Files Completed Files

MOVING FORWARD

Program evaluation will be a major focus in 2013. This will enable the Environmental Assessment Branch to continue seeking improvements to increase the efficiency and effectiveness in delivering the environmental assessment process. Tasks will include tracking the proposal triage system, environmental assessment approval timelines, feedback received on the guidance documents and analyzing the overall functionality of the revised policies and processes.

The online environmental assessment application system for proponents seeking a ministerial determination will also be realized in 2013. This will provide proponents with a user-friendly method of submitting and tracking their application through the environmental assessment process.

The Environmental Assessment Branch will explore the development of sector-specific environmental assessments. The intent is to have in place a streamlined application review and environmental assessment process for routine projects in which environmental effects are predictable and mitigatable.

The Environmental Assessment Branch is proud of its accomplishments over the past year and is looking forward to 2013 and the challenges the new year will bring with it.